

BANK INDONESIA REGULATION
NUMBER: 13/21/PBI/2011
CONCERNING
MONITORING OF BANK ACTIVITY
IN FOREIGN EXCHANGE FLOWS

BY THE GRACE OF THE ALMIGHTY GOD

THE GOVERNOR OF BANK INDONESIA,

- Considering:
- a. whereas monitoring of activity in foreign exchange flows is essential to support the formulation and implementation of policies in monetary affairs, the banking system and the payment system;
 - b. whereas monitoring of activity in foreign exchange flows is also essential to support the implementation of policy for export proceed receipts;
 - c. whereas correct and timely information and data obtained from monitoring of foreign exchange is essential in the compilation of statistics encompassing the Indonesia Balance of Payments statistics, Indonesia International Investment Position and other statistics,
 - d. whereas the reporting of foreign exchange bank activity in foreign exchange flows needs to be regulated separately from the reporting of non-bank financial institution activity in foreign exchange flows, given the specific characteristics of the banking business;
 - e. whereas based on the foregoing considerations in letter a, letter b, letter c and letter d, it is necessary to enact a new Bank

Indonesia ...

Indonesia Regulation concerning monitoring of bank activity in foreign exchange flows;

- In view of:
1. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette Number 3843), since amended several times and last amended by Act Number 6 of 2009 concerning Adoption of Government Regulation in Lieu of Act of Parliament Number 2 of 2008 concerning the Second Amendment to Act Number 23 of 1999 concerning Bank Indonesia as Act of Parliament (State Gazette of the Republic of Indonesia Number 7 of 2009, Supplement to the State Gazette of the Republic of Indonesia Number 4962);
 2. Act Number 24 of 1999 concerning Foreign Exchange Flows and the Exchange Rate System (State Gazette Number 67 of 1999, Supplement to the State Gazette Number 3844);

HAS DECREED:

To enact: THE BANK INDONESIA REGULATION CONCERNING MONITORING OF BANK ACTIVITY IN FOREIGN EXCHANGE FLOWS.

CHAPTER I GENERAL PROVISIONS

Article 1

The terminology used in this Bank Indonesia Regulation has the following meanings:

1. “Bank ...

1. "Bank" means a Commercial Bank as defined in Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998, including a branch office of a foreign bank in Indonesia and a Sharia Commercial Bank as defined to Act Number 21 of 2008 concerning Sharia Banking.
2. "Foreign Exchange Flows," hereafter abbreviated as FEF, mean transfers of financial assets and liabilities between residents and non-residents, including transfers of external assets and liabilities between residents.
3. "Activity in Foreign Exchange Flows," hereafter abbreviated as FEF Activity, means activity giving rise to transfers of financial assets and liabilities between residents and non-residents, including transfers of external assets and liabilities between residents.
4. "External Financial Assets," hereafter referred to as EFA, mean assets of Residents held with non-Residents, whether in foreign currency or in rupiahs, including but not limited to cash in foreign currency, deposits with non-residents and ownership of securities issued by non-residents.
5. "External Financial Liabilities," hereafter referred to as EFL, mean Resident liabilities and equity owed to non-Residents, whether in foreign currency or in rupiahs, including but not limited to deposits held by non-residents, non-resident ownership of securities issued by residents, borrowings from non-residents and equity held by non-residents.
6. "Resident" means a natural person, legal entity or other entity domiciled or intending to be domiciled in Indonesia for no less than 1 (one) year, including diplomatic missions and staff of the Republic of Indonesia stationed overseas as stipulated in the applicable laws and regulations.
7. "Customer" means any party using Bank services.
8. "Foreign Exchange Flows Activity Report," hereafter abbreviated as FEF Activity Report, means a report of activities giving rise to transfers of financial assets and liabilities between residents and non-residents, including transfers of external assets and liabilities between residents.

9. "Exports" means the activity of conveying merchandise out of the customs territory as stipulated in the customs regulations.
10. "Report Period," hereafter referred to as RP, means the data period from the 1st day to the end of the respective month.
11. "Report Submission Period," hereafter referred to as RSP, means the period for submission of FEF Activity Reports from the 1st day until the 15th day after the end of an RP.

CHAPTER II

REQUIREMENTS FOR SUBMISSION OF REPORTS AND REPORT CORRECTIONS

Article 2

- (1) Banks must submit FEF Activity Reports to Bank Indonesia on a correct and timely basis.
- (2) The FEF Activity Reports referred to in paragraph (1) include the Transaction Report and Position Report.
- (3) The Transaction Report as referred to in paragraph (2) encompasses bank and/or customer transactions that influence the EFA/EFL of the Bank.
- (4) The Position Report as referred to in paragraph (2) encompasses the positions and account entries in each EFA/EFL account of the Bank.

Article 3

- (1) Banks must submit the FEF Activity Report as referred to in Article 2 each month online during the RSP.
- (2) If an FEF Activity Report submitted by the Bank to Bank Indonesia as referred to in paragraph (1) is inaccurate, the Bank shall submit corrections

to the incorrect ...

to the incorrect information in the FEF Activity Report online no later than the 20th day after the end of the RP.

- (3) If submitted after the 20th day after the expiration of an RP as referred to in paragraph (2), corrections to an FEF Activity Report shall be submitted offline.
- (4) In the event of technical outage preventing a Bank from submitting an FEF Activity Report and or corrections to an FEF Activity Report online as referred to in paragraph (1) and paragraph (2), the FEF Report and/or corrections to an FEF Activity Report may be submitted offline.
- (5) If a technical outage as referred to in paragraph (4) occurs on the last day for submission of an FEF Activity Report, the FEF Activity Report shall be submitted offline on the following working day.
- (6) If a technical outage as referred to in paragraph (4) occurs on the last day for submission of corrections to an FEF Activity Report, the corrections to the FEF Activity Report shall be submitted offline on the following working day.
- (7) A Bank shall be declared late in submission of an FEF Activity Report if the FEF Activity Report is submitted after the RSP referred to in paragraph (1) but before the end of the month.
- (8) A Bank shall be declared to have not submitted an FEF Activity Report if the FEF Activity Report is not delivered by the end of the month referred to in paragraph (7).
- (9) In the event that the Bank is declared to have not submitted an FEF Activity Report as referred to in paragraph (8), this shall not nullify the obligation of the Bank to submit the FEF Activity Report to Bank Indonesia.

Article 4

- (1) For the purpose of submission of FEF Activity reports as referred to in Article 2, the Bank must demand information, data and /or supporting documents from any Customer conducting FEF Activities through the Bank.
- (2) A Customer as referred to in paragraph (1) is required to provide information, data and/or supporting documents to the Bank in accordance with the request made by the Bank.
- (3) Information, data and supporting documents as referred to in paragraph (1) shall be stipulated further in a Circular Letter of Bank Indonesia.

Article 5

- (1) In the event of transactions pertaining to Customer Exports in a Transaction Report as referred to in Article 2 paragraph (3), the Bank must submit details of the Export transaction and documents related to the Customer Export transaction to Bank Indonesia as stipulated in the Bank Indonesia regulations governing export foreign exchange receipts.
- (2) In the event that a Bank does not submit documents pertaining to Customer Export transactions, the Transaction Report as referred to in paragraph (1) shall be deemed incorrect.
- (3) The Bank is required to forward documents received from Customers pertaining to Export transactions to Bank Indonesia as stipulated in the Bank Indonesia regulation governing export foreign exchange receipts.

Article 6

- (1) The Bank is required to have a system and procedure for obtaining data/information and compiling the FEF Activity Report set out in a written

manual, so that the Bank is able to submit correct FEF Activity Reports on a timely basis.

- (2) The Bank is required to appoint an officer and/or responsible person to prepare, verify and submit FEF Activity Reports to Bank Indonesia.

CHAPTER III EXAMINATION OF REPORTS FOR CORRECTNESS

Article 7

- (1) Bank Indonesia shall examine the correctness of FEF Activity Reports submitted by Banks.
- (2) If the correctness of an FEF Activity Report as referred to in paragraph (1) is in doubt, Bank Indonesia may request an explanation.
- (3) An explanation as referred to in paragraph (2) shall be submitted to Bank Indonesia no later than 1 (one) month after the date of receipt from Bank Indonesia of the request for explanation.
- (4) If a Bank does not provide an explanation within 1 (one) month after the date of receipt from Bank Indonesia of the request for explanation as referred to in paragraph (3), the FEF Activity Report submitted by the Bank shall be deemed incorrect.

CHAPTER IV SANCTIONS

Article 8

- (1) Any Bank late in submission of an FEF Activity Report as referred to in Article 3 paragraph (7) shall be liable to administrative sanctions imposed as a financial penalty of Rp 1,000,000.00 (one million rupiahs) for each day of delay.

(2) Any Bank...

- (2) Any Bank failing to submit an FEF Activity Report as referred to in Article 3 paragraph (8) shall be liable to administrative sanctions imposed as a financial penalty of Rp 50,000,000.00 (fifty million rupiahs).
- (3) Any Bank submitting an incorrect FEF Activity Report as referred to in Article 2 paragraph (1) shall be liable to administrative sanctions imposed as a financial penalty commencing from Rp 25,000.00 (twenty-five thousand rupiahs) for each inaccurate field, subject to a maximum penalty of Rp 50,000,000.00 (fifty million rupiahs).

Article 9

- (1) Payment of administrative sanctions imposed as a financial penalty as referred to in Article 8 shall be made to the account of the State Treasury at Bank Indonesia.
- (2) Financial penalties shall be imposed by debiting the demand deposit account of the bank at Bank Indonesia after issuance of a penalty letter from Bank Indonesia.

CHAPTER V

MISCELLANEOUS PROVISIONS

Article 10

- (1) A Bank experiencing force majeure for 1 (one) or more RSPs shall be exempt from the requirement for submission of the FEF Activity Report as referred to in Article 2.
- (2) A Bank experiencing force majeure for less than 1 (one) RSP shall be exempt from the requirement for submission of the FEF Activity Report in accordance with the deadline referred to in Article 3 paragraph (1) and paragraph (2).

(3) A Bank ...

- (3) A Bank as referred to in paragraph (1) and paragraph (2) must submit the FEF Activity Report and/or corrections to the FEF Activity Report within the deadline referred to in Article 3 after the Bank has resumed normal operation.
- (4) A Bank experiencing force majeure as referred to in paragraph (1) or paragraph (2) is required to submit written notification to Bank Indonesia, enclosing an explanation of the force majeure that it faces.

CHAPTER VI TRANSITIONAL PROVISIONS

Article 11

For data for the October 2011 RP submitted in November 2011 until data for the May 2012 RP submitted in June 2012, the RSP shall be no longer than the 20th day after the end of the RP and the deadline for submission of FEF Activity Report corrections shall be no later than the 25th day after the end of the RP.

CHAPTER VII CONCLUDING PROVISIONS

Article 12

The provisions in this Bank Indonesia Regulation shall be elaborated further in a Circular Letter of Bank Indonesia.

Article 13

The provisions concerning sanctions referred to in Article 8 paragraph (3) in regard to submission of transaction details pertaining to Customer Exports as referred to in Article 5 shall come into force for data for the January 2012 RP submitted in February 2012.

Article 14

With the enactment of this Bank Indonesia Regulation, Bank Indonesia Regulation Number 1/9/PBI of 1999 concerning Reporting of Activity in Foreign Exchange Flows by Banks and Non-Bank Financial Institutions is revoked and declared no longer valid, except for the articles governing the monitoring of activities in foreign exchange flows by non-bank financial institutions until data for the December 2011 RP submitted in January 2012.

Article 15

This Bank Indonesia Regulation shall come into force on the date of its enactment.

For the public to be informed, it is ordered that this Bank Indonesia Regulation be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta

Dated 30 September 2011

THE GOVERNOR OF BANK INDONESIA

DARMIN NASUTION

Promulgated in Jakarta

Dated 30 September 2011

THE MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 94 OF
2011

ELUCIDATION
TO
BANK INDONESIA REGULATION
NUMBER: 13/21/PBI/2011
CONCERNING
MONITORING OF BANK ACTIVITY
IN FOREIGN EXCHANGE FLOWS

I. GENERAL REVIEW

As stipulated in Act No. 24 of 1999 concerning Foreign Exchange Flows and the Exchange Rate System, Indonesia adheres to a free foreign exchange system in which each Resident may freely hold and use foreign exchange. However, this implementation of the free foreign exchange system must be supported by effective monitoring of FEF Activity so that it does not engender adverse impact on the national economy. The information and data obtained under this monitoring system is needed for the formulation and implementation of monetary, banking system and payment system policy. In addition, the information and data is also needed in the compilation of statistics, the scope of which includes the statistics for the Indonesia Balance of Payments, the Indonesia International Investment Position and other statistics.

For the monitoring of FEF activity, Bank Indonesia previously implemented the Bank and Non-Bank Financial Institution (NBFI) FEF Activity reporting system, which has so far been governed by a single regulation. In view of the differences in the business characteristics of Banks and NBFIs, it is necessary to introduce separate regulatory provisions for reporting of FEF by Banks and FEF by NBFIs. In addition, the Bank FEF regulations need to be improved to support the implementation of regulatory provisions concerning of export proceed receipts.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Paragraph (1)

"Report on a correct basis" is defined as a report setting forth information and data on FEF Activities in accordance with the facts or supporting documents and fulfilling the detailed scope of reporting prescribed by Bank Indonesia, including but not limited to status and category of transacting parties, purpose of transactions, position of the EFA/EFL accounts of the Bank and other information and data pertaining to the FEF Activity Report.

"Submit reports on a timely basis" is defined as the submission of reports within the RSP prescribed by Bank Indonesia.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Bank and/or Customer transactions influencing Bank EFA/EFL include the following activities:

- a. Incoming and outgoing foreign remittances, whether in rupiahs or foreign currency;
- b. Receipts from and payments to non-residents in Indonesia, whether in rupiahs or foreign currency; and/or
- c. Receipts and payments in Indonesia between residents in foreign currency.

Paragraph (4) ...

Paragraph (4)

The position and account entries in each EFA/EFL account of a Bank are affected by transactions conducted by both the Bank and Customers.

Article 3

Paragraph (1)

"Online" is defined as the submission of FEF Activity Reports to Bank Indonesia through the dedicated BI extranet.

FEF Activity Reports may be submitted online on Saturdays, Sundays, official holidays and adjacent days declared as additional holidays as determined by Bank Indonesia.

Paragraph (2)

Corrections to FEF Reports may be submitted online on Saturdays, Sundays, official holidays and adjacent days declared as additional holidays as determined by Bank Indonesia.

Paragraph (3)

"Offline" is defined as the submission of FEF Activity Reports to Bank Indonesia with the use of media including but not limited to compact disk, flash disk and/or other medium for recording electronic data.

Paragraph (4)

"Technical outage" is defined as outage at Bank Indonesia and/or a Bank, encompassing among others outage in a network and/or communications.

Paragraph (5)

If technical outage occurs at a Bank, the Bank must convey written notification to Bank Indonesia enclosing supporting evidence of the technical outage.

Paragraph (6) ...

Paragraph (6)

If technical outage occurs at a Bank, the Bank must convey written notification to Bank Indonesia enclosing supporting evidence of the technical outage.

Paragraph (7)

The FEF Activity Report shall be deemed submitted by the Bank to Bank Indonesia if the report meets the requirements prescribed in a Circular Letter of Bank Indonesia.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Article 4

Paragraph (1)

Self-explanatory.

Paragraph (2)

This information and data includes but is not limited to value and type of transaction, objective or purpose of the transaction, the transacting party and the country of destination or origin of the transacting party.

Paragraph (3)

Self-explanatory.

Article 5

Paragraph (1)

Transaction details pertaining to Export include but are not limited to the following information and data:

- a. Taxpayer Identification Number (NPWP);
- b. Export Declaration Form (EDF) registration number;
- c. EDF registration date; and

d. Details ...

d. Details of the Export value.

Documents pertaining to the Customer Export transaction refer to a written explanation enclosing supporting documents submitted by the Customer, including but not limited to the Export Declaration Form (EDF), sales invoice and agreement pertaining to the Export transaction.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 6

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 7

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

"Explanation" is defined as written information supported by evidence of bookkeeping, records and other necessary documents.

Article 8

Paragraph (1)

"Days" are defined as calendar days.

Paragraph (2) ...

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 9

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 10

Paragraph (1)

"Force majeure" is defined as a condition that through actual circumstances renders a Bank unable to submit information and data pertaining to Activities in Foreign Exchange Flow by reason of fire, riots, labour strikes, terrorism, bombing, war, sabotage and natural disaster, such as earthquakes and floods, attested to by the authorities or officials of a relevant agency in the local area.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 11

Self-explanatory.

Article 12

The matters to be stipulated in the Circular Letter of Bank Indonesia include but are not limited to:

a. Threshold ...

- a. Threshold of the extent of Activity in Foreign Exchange Flows, including transactions pertaining to Customer Exports, that must be reported in detail;
- b. Procedure for submission of FEF Activity Reports, including supporting documents;
- c. Procedure for imposition of sanctions.

Article 13

Self-explanatory.

Article 14

Self-explanatory.

Article 15

Self-explanatory.